

LVC Service & Student Loans

We often hear from people who say that they would love to do a year of service with Lutheran Volunteer Corps (LVC), but have too many student loans that they have to repay. There are actually several options to affordably pay your student loans during a year of service. A year of service with LVC also provides you with valuable work experience to help you get a job after your year of service and/or makes you eligible for many generous graduate school scholarships - <http://lutheranvolunteercorps.org/alumni-ops/>.

Private Loans: If you have private loans, you'll need to talk with your lender (and any co-signer) about repayment options.

Public Service Loan Forgiveness Program (PSLFP)

If you are considering non-profit or government work, you can have your loan balance forgiven after 120 monthly payments via the PSLFP on Federal Direct Loans. And, you can count payments made during your LVC year toward this 120 month limit! <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>

For the PSLFP, you need to



Income-Driven Repayment

You can pay what you're able to afford with income-driven repayment plans during your LVC year (and beyond). LVC will provide a letter outlining our program and your stipend amount, to provide in your application; most Volunteers have a \$0 payment during LVC. One of the advantages of an income-driven plan is that your loan balance is forgiven after 20/25 years on the payment plan. And, as noted above, if you work in public service jobs, it can be reduced to 10 years via the PSLFP.

<https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven>

Deferment, Forbearance & Teacher Loan Forgiveness Options

Deferment or forbearance are also options for your student loan debt, usually based on "economic hardship" during your LVC year. For both of these programs, you are not making payments during your LVC year; what happens with the interest of your loan is what is different. If you're planning on graduate school and may end up accumulating and/or consolidating more student loan debt, these may be the better options for you during your LVC year. <https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance>

There are *loan forgiveness programs specifically for teachers* as well, with potential for 100% loan forgiveness after 5 years.

<https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/teacher>

Resources for you:

- Your loan lender – always start with your lender for specific questions about your loans.
- Your college financial aid office is also a great resource. Pay attention in your required exit counseling.
- At LVC: Elizabeth Bier, Recruitment & Outreach Manager, outreach@lutheranvolunteercorps.org, cell: 612-787-8844. For income verification letter: Kelsey Kauffman, east@lutheranvolunteercorps.org
- Federal Loan Consolidation: <https://studentaid.ed.gov/sa/repay-loans/consolidation>; 1-800-557-7392
 - If you have a combination of Federal Direct loans with other FFEL, Perkins or PLUS loans, you may want to consolidate to one Direct Consolidation Loan that would qualify for PSLFP, making sure to consolidate correctly & carefully. Call the number above to ask questions before applying for a Direct Consolidation Loan.
- Get an inventory of all your student loan debt:
 - Federal Loans via National Student Loan Data System: www.nsls.ed.gov
 - Private Loans via your free annual credit report: www.annualcreditreport.com
- For budgeting and handling other debt (credit card, home, car, etc.)
 - Lutheran Social Service Financial Counseling: <http://www.lssmn.org/debt>

*Up to 11 months if you are on an income-driven plan at the beginning of your LVC year. Payments made on an income-driven plan before the end of your loan's grace period do not count toward the PSLFP 120 payments. Your LVC placement needs to complete the PSLFP paperwork.

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